

# Revised ordinances that regulate transportation network companies in KCMO

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City of Kansas City, Missouri

# Why is it so important to regulate transportation network companies and vehicles?

- To provide for public safety
- If the city is going to permit vehicles for hire, they need to take steps to assure that any person that will be providing vehicle transportation service to the public does not have a questionable background
- Anybody who will provide transportation service needs to have a criminal background investigation completed to assure they do not pose a threat to the riding public

# Were other cities or ordinances reviewed to see how they regulated transportation network companies?

Yes. Other city ordinances that were reviewed prior to making these proposed ordinance changes include:

Austin, TX

Chicago, IL

Dallas, TX

Houston, TX

Little Rock, AR

Memphis, TN

Minneapolis, MN

Salt Lake City, UT

Seattle, WA

Tacoma, WA

Tulsa, OK

Washington, DC



# Change the Title of Division 7 Under Chapter 76

- The first change that was made was to Chapter 76 was to change the title of Division 7 from “Taxicab Code” to “Vehicles for Hire Code”.
- This is a much more accurate description of what this division is about as it includes regulations for taxicab vehicles, livery vehicles, sightseeing vehicles, charitable non-profit transportation vehicles, pedicabs and now transportation network companies and transportation network vehicles.

# Definitions Added

Definitions were added in section 76-32 in order to clearly define a “transportation network driver”, “transportation network company”, “transportation network service”, “transportation network vehicle” and “vehicle permit”

# Initial Inspections Eliminated

- Changes were made to section 76-40(c) whereby the city will no longer make initial inspections of livery, sightseeing, pedicab and transportation network vehicles
- This change was predominantly made for two reasons:
  - The ordinance already requires that vehicles must be maintained in a clean and serviceable condition and in adequate repair and lists specific details as to how the vehicles must be maintained
  - Regulated Industries requires proof that all vehicles have passed a state inspection before a vehicle permit is issued.
- If a Regulated Industries Legal Investigator orders a vehicle out of service for safety or mechanical reasons, the permit holder must have the vehicle reinspected by Regulated Industries Division in order for it to be placed back in service.
- Taxicabs will continue to be inspected on an annual and bi-annual basis to ensure, at a minimum, that taximeters are accurate and are sealed by city staff.



# Transportation Network Company Requirements

- Section 76-46 requires all transportation network providers to apply for and receive a permit from Regulated Industries Division (no cost). This ensures that they follow all transportation network ordinances. Other requirements of this section include:
  - Identifying a person that will represent the company and will be authorized to make decisions on the company's behalf which include receiving notices and tickets.
  - A statement signed by the transportation network company applicant that they will not allow transportation network drivers to utilize their transportation network service until they have met all requirements of this chapter and are in good standing with the director.
  - A statement signed by the applicant that they will allow the director or their authorized agents, or any member of the police department, full access to their transportation network service for investigative purposes.

# Taxicabs no longer operating as livery vehicles

- In section 76-70, the option of a taxicab to be operated as a livery vehicle was eliminated.
- Taxicabs are currently allowed to operate as livery vehicles whereby a taxicab driver can pre-arrange a trip with a customer at a set fare rather than by using the taximeter.
- By allowing taxicabs to operate as livery vehicles, it provides the opportunity for a taxicab driver to arrange a price that is higher than what the taximeter would charge a citizen otherwise.
- This change will require a taxicab driver to only charge a passenger the fare that is recorded on the taximeter.
- This keeps the distinction between a taxicab vehicle and a livery vehicle clear to all vehicle for hire operators and to the public.



# Reduction in Vehicle Permit Fees

- Changes to section 76-75 decrease the cost of vehicle permit fees from \$300 per permit to \$250 per permit for all taxicab, livery, sightseeing and transportation network vehicles.
- Regulated Industries currently permits 547 taxicabs and 125 livery vehicles which equates to annual permit revenues of \$201,600. If we decrease the price of livery permits by \$50 and we increase the number of vehicles permitted by 100, we would bring in \$193,000 which is a loss of only \$8,600.
- Although we have no way of knowing how many transportation network vehicle permits will be issued, there is a Kansas City Uber drivers Facebook group that lists 130 people as part of the group so this does provide some indication as to what we may expect.

# Criminal Background Investigation

- Section 76-104 has been changed to allow an applicant to have the option of choosing the city or a qualified company to conduct the background check
- If an applicant chooses a third party company to conduct their background check, the applicant must authorize the release of the investigation and the investigation company must send a copy of the applicant's background investigation report to the director.
- This practice gives the transportation network company or driver the flexibility of choosing who they would like to conduct their background check while assuring that the city will be provided proof that all drivers meet the requirements to drive a vehicle for hire in KCMO.

# Physical Examination

- Section 76-104 has been changed to allow an applicant to provide a current physical examination or a written statement from a licensed physician, general practitioner or primary care physician stating they are physically able to drive a vehicle for hire
- The ordinance only used to give a driver the option of submitting the physical examination
- The physical examination or written statement is good for a period of 3 years



# Insurance Requirements

- To briefly summarize, insurance requirements include the following:
  - Transportation network companies are required to have an insurance policy in place which covers all vehicles and drivers.
  - From the time a driver accepts a passenger to the time the passenger exits the vehicle, the commercial insurance policy shall be the primary insurance policy.
  - From the time a transportation network driver accepts a ride request to the time the passenger exits the vehicle, the vehicle must have commercial automobile liability coverage with a combined single limit of liability for injury or property damage for each occurrence of \$1,000,000.00

# Trade Dress

- Changes to section 76-234 have been made to address uniformity with regard to livery or transportation network vehicles
- Any sign or emblem to be placed or affixed on a livery or transportation network vehicle must be approved by the director prior to use
- Once a sign or emblem has been approved, it must be used on all vehicles at all times while those vehicles are being used to provide transportation services

# Rates and Receipts

- Section 76-239 has been changed to state that livery and transportation network vehicles shall be for hire at a charge fixed by written agreement in advance where the livery or transportation network company must provide a passenger with the rate in advance of the ride
- A driver must give the passenger a legible receipt to include the rate, total fare, name and phone number of the company and the name of the driver.
- The receipt may also be submitted to the passenger electronically within 2 hours of payment if the passenger is in agreement



# Special Thanks

- We wanted to thank folks for taking time to share their thoughts and opinions. Those folks include:
  - The livery and taxicab industry
  - Uber & Lyft employees and representatives
  - All those that took time out of their busy schedules to discuss this topic and provide testimony at the Kansas City North Community Center on November 19 and the Southeast Community Center on December 10
  - An extra special thanks to Andrea Young, a law student at UMKC, for the information she provided to this project for the city